

# WORKFORCE OBSERVATIONS FOR SOUTHEAST WISCONSIN COUNTIES NOVEMBER 2002



State of Wisconsin  
Department of Workforce Development

## October—The Best Month of the Year?

It certainly was a better October than is usually expected via labor force in the Southeast WDA. All three counties posted lower unemployment rates since September and all three counties have posted lower unemployment rates than the figures for October 2001. This is the first month since February of 2000 that Walworth has posted an annual unemployment rate decrease. What makes these annual decreases a true labor force improvement is that the equations show that more people are employed and fewer people are unemployed, rather than the fact that unemployment rates can decrease due to people leaving the labor force altogether, usually when they perceive there are no jobs available.

The not seasonally adjusted unemployment rate for the **Kenosha MSA** stood at 4.6 percent in October, down by two percentage points from September and down by three percent points from October 2001. Both the monthly and annual figures show considerably more employed and fewer unemployed.

Kenosha industries also did quite well over the month gaining jobs in every industry except wholesale trade. The county's tally shows 880 more jobs since September, mostly in services and government. Construction employment is absolutely full steam ahead as it has set a new monthly record in employment at 3,210 employed. This eclipses the previous employment record of 3,137 set in June of this year. Manufacturing showed the slightest of gains over the month, but it is believed that much of the services employment increase in October may be attributed to manufacturers hiring staff from companies that outsource personnel. Government employment hikes come from the school districts' later than usual hiring and reporting.

Annually, Kenosha shows growth of two percent or 1,150 jobs and this October shows the largest annual job increase since May of 2000. Construction employment is up almost 25 percent over the year and manufacturing shows 180

more jobs than last October; the largest annual increase in this industry since November of 2000. Perhaps this a turning point for the goods producing industries. Continued growth will be the only way to tell.

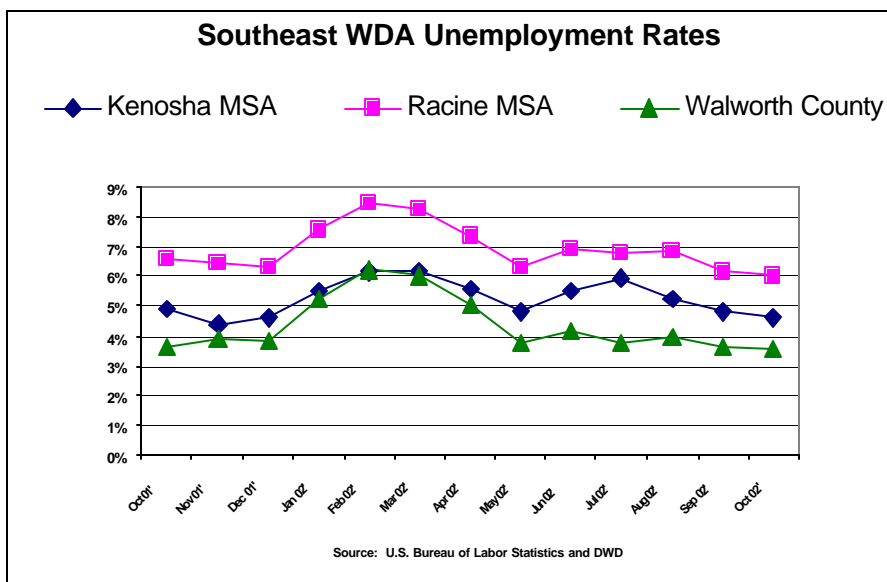
The **Racine MSA** unemployment rate (not seasonally adjusted) registered 6.0 percent in October; a one-tenth of a point decrease over the month. These monthly figures reveal fewer employed and unemployed over the month. From 1991-2001, the October rate averaged 4.7 percent and usually remained unchanged from September to October. Annually, the rate is down a significant six-tenths of a percent point and is the fourth month out of the last five to show a rate lower than for the same month the year before. The

six-tenths percentage point decrease is the largest annual October decrease since 1995. The annual labor force perspective shows 2,170 more residents employed and 470 fewer unemployed.

Employment by industry shows only 10 additional jobs over the month, with most of the stagnant growth saddled in

a 180 job decrease in services employment. Construction and government employment showed the largest monthly gains of 100 jobs apiece.

Annual industry numbers show 1,140 additional jobs since October 2001, which is the seventh month in a row to show more jobs in Racine County than the same month the previous year and is the largest annual increase since March of 2000. All industries gained employment over the year except for Wholesale trade, which lost 400 jobs. Conventional wisdom tells one that as manufacturing employment continues to show consistency, then wholesale trade employment will follow, as well, and will continue to close the annual deficit it has been running for the last year. Services shows the largest annual volume gain (540 jobs) and construction shows the largest percentage gain, 7.8 percent or 310 more jobs. Manufacturing shows 70 more jobs, flat growth, but the first over the year increase since October of 1998. (September preliminary results showed an annual manufacturing increase



(Continued on page 2)

(Continued from page 1)

but the revised estimates negated this). This annual manufacturing increase was bound to happen as the annual deficits had been closing in on positive territory for months now.

The October unemployment rate for **Walworth County** is 3.5 percent. This is one-tenth of a point lower than both the month- and year-ago figures. The number of both employed and unemployed decreased monthly as per usual. The view from last October shows 1,500 more employed and ten fewer unemployed. The unemployment rate from 1991-2001 in Walworth averaged 2.5 percent in October.

Walworth's industries shed 430 total jobs over the month which is not unusual as seasonal work comes to an end in Walworth. Most of the monthly loss was in hospitality-type ser-

vices and retail trade. Government and FIRE employment gained a combined 480 job, while manufacturing and construction combined for a loss of 70 jobs.

Walworth shows 1.6 percent job growth with 690 more jobs, net, than in October of 2001. This is keeping the pace of the last five months where annual figures are maintaining 600-800 jobs higher pace than the same month a year ago. Walworth is the only regional county to show an annual manufacturing employment deficit, though, down 200 jobs. FIRE employment has decreased seven percent or 90 jobs. Government, particularly state government, showed the largest annual gain, annually, of 820 jobs. A majority of this hiring was most likely at UW-Whitewater and was "student job" oriented or related to student services at the university.

| October 2002   | Wisconsin | Kenosha County/MSA | Racine County/MSA | Walworth County | Southeast WDA | City of Kenosha | City of Racine |
|--|-----------|--------------------|-------------------|-----------------|---------------|-----------------|----------------|
| <b>Civilian Labor Force*</b>                             | 3,054,197 | 84,003             | 94,112            | 55,999          | 234,114       | 49,639          | 39,235         |
| Persons Employed   | 2,928,199 | 80,136             | 88,458            | 54,031          | 222,625       | 46,859          | 35,355         |
| Persons Unemployed                                       | 125,998   | 3,867              | 5,654             | 1,968           | 11,489        | 2,780           | 3,880          |
| Unemployment Rate  | 4.1%      | 4.6%               | 6.0%              | 3.5%            | 4.9%          | 5.6%            | 9.9%           |
| <b>Total jobs of all non-farm industries**</b>           | 2,868,320 | 55,966             | 82,564            | 43,405          | 181,935       |                 |                |
| <b>Goods Producing Jobs</b>                              | 704,634   | 14,658             | 25,677            | 11,406          | 51,741        |                 |                |
| <b>Service Producing Jobs</b>                            | 2,163,686 | 41,308             | 56,887            | 31,999          | 130,194       |                 |                |
| Construction & Mining                                    | 134,037   | 3,210              | 4,241             | 2,296           | 9,747         |                 |                |
| All Manufacturing  | 570,597   | 11,448             | 21,436            | 9,110           | 41,994        |                 |                |
| Transportation, Communications & Public Utilities        | 133,042   | 2,119              | 2,627             | 1,685           | 6,431         |                 |                |
| Wholesale Trade  | 136,544   | 2,368              | 3,001             | 1,465           | 6,834         |                 |                |
| Retail Trade   | 511,319   | 11,366             | 14,529            | 7,916           | 33,811        |                 |                |
| Finance, Insurance, and Real Estate                      | 153,819   | 1,381              | 2,414             | 1,373           | 5,168         |                 |                |
| Services   | 803,977   | 14,263             | 23,586            | 11,064          | 48,913        |                 |                |
| All Government   | 424,985   | 9,811              | 10,730            | 8,496           | 29,037        |                 |                |
| <b>Change from September 2002</b>                        |           |                    |                   |                 |               |                 |                |
| <b>Civilian Labor Force*</b>                             | 4,920     | 780                | -340              | -660            | -220          | 470             | -130           |
| Persons Employed   | 9,670     | 920                | -180              | -580            | 160           | 540             | -70            |
| Persons Unemployed                                       | -4,750    | -150               | -160              | -70             | -380          | -70             | -50            |
| Unemployment Rate  | -0.2%     | -0.2%              | -0.1%             | -0.1%           | -0.2%         | -0.2%           | -0.1%          |
| <b>Total jobs of all non-farm industries**</b>           | 5,650     | 880                | 10                | -430            | 460           |                 |                |
| <b>Goods Producing Jobs</b>                              | -3,820    | 130                | 80                | -80             | 140           |                 |                |
| <b>Service Producing Jobs</b>                            | 9,470     | 740                | -70               | -350            | 320           |                 |                |
| Construction & Mining                                    | -1,590    | 130                | 100               | -20             | 200           |                 |                |
| All Manufacturing  | -2,240    | 10                 | -10               | -50             | -60           |                 |                |
| Transportation, Communications & Public Utilities (TCPU) | 780       | 60                 | 50                | 10              | 120           |                 |                |
| Wholesale Trade  | -120      | -30                | -80               | 0               | -110          |                 |                |
| Retail Trade   | -6,580    | 100                | 60                | -270            | -120          |                 |                |
| Finance, Insurance, and Real Estate (FIRE)               | -1,050    | 0                  | -10               | 120             | 110           |                 |                |
| Services   | -5,370    | 420                | -180              | -570            | -330          |                 |                |
| All Government   | 21,800    | 190                | 100               | 360             | 650           |                 |                |
| <b>Change from October 2001</b>                          |           |                    |                   |                 |               |                 |                |
| <b>Civilian Labor Force*</b>                             | 61,190    | 2,270              | 1,710             | 1,490           | 5,470         | 1,190           | 660            |
| Persons Employed   | 57,440    | 2,380              | 2,170             | 1,500           | 6,050         | 1,390           | 870            |
| Persons Unemployed                                       | 3,750     | -110               | -470              | -10             | -580          | -200            | -210           |
| Unemployment Rate  | 0.0%      | -0.3%              | -0.6%             | -0.1%           | -0.4%         | -0.6%           | -0.7%          |
| <b>Total jobs of all non-farm industries**</b>           | 21,870    | 1,150              | 1,140             | 690             | 2,980         |                 |                |
| <b>Goods Producing Jobs</b>                              | -7,900    | 810                | 380               | -160            | 1,030         |                 |                |
| <b>Service Producing Jobs</b>                            | 29,770    | 340                | 760               | 850             | 1,950         |                 |                |
| Construction & Mining                                    | 1,470     | 630                | 310               | 40              | 980           |                 |                |
| All Manufacturing  | -9,370    | 180                | 70                | -200            | 50            |                 |                |
| Transportation, Communications & Public Utilities (TCPU) | -1,290    | -90                | 20                | 20              | -50           |                 |                |
| Wholesale Trade  | -1,570    | -150               | -400              | -30             | -580          |                 |                |
| Retail Trade   | 3,650     | 70                 | 190               | 100             | 360           |                 |                |
| Finance, Insurance, and Real Estate (FIRE)               | 2,980     | -50                | 10                | -90             | -140          |                 |                |
| Services   | 25,380    | -90                | 540               | 30              | 490           |                 |                |
| All Government   | 620       | 650                | 400               | 820             | 1,870         |                 |                |

\* Labor force figures are **not** seasonally adjusted and are commonly revised. Figures from "place of residence" survey from the Bureau of Labor Statistics' Local Area Unemployment Statistics program.

\*\*Figures based upon "place of employment" survey from the BLS, Non-Farm Wage and Salary estimates

Month and year ago change figures are rounded and may not sum to total

Questions and comments regarding this publication are welcome. Direct to: **Eric Grosso, State Labor Market Economist**

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